

orchards in Vermont, have sustained losses totaling \$1.5 billion over the past five years, including an estimated \$500 million during the past year.

The farm bill also invests \$1.3 billion in research to help keep America's farmers competitive in world markets.

I urge my colleagues to join with me in supporting this farm bill.

The PRESIDING OFFICER. The Chair, speaking only as the Senator from Iowa, thanks the distinguished Senator from Vermont for all his great support and work on this farm bill. It is unprecedented.

RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, The Senate, at 12:44 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

The PRESIDING OFFICER. The Senator from Indiana.

FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT—Continued

Mr. LUGAR. Mr. President, in a moment, I will ask that the Chair grant 35 minutes to the distinguished Senator from Iowa. Before that, I ask unanimous consent that the next Republican speaker after Senator GRASSLEY be Senator DOMENICI.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, the manager of the bill can request whoever he wants, but I note that Senator AKAKA wants to be put in the mix. I know Senator HARKIN spoke for quite some time. I do not know if we want to try to balance out the time. Senator AKAKA also wishes to speak.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Senator AKAKA only wants 5 minutes. After Senator GRASSLEY finishes, would the Senator from Indiana have any problem with Senator AKAKA speaking for 5 or 10 minutes?

Mr. LUGAR. Fine.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Yes.

Mr. CONRAD. Might I get in the chain as well? I know after Senator GRASSLEY—

Mr. REID. He is going to speak for about half an hour.

Mr. CONRAD. It will be Senator AKAKA on our side, and Senator DOMENICI will be next?

Mr. REID. How long will Senator DOMENICI speak?

Mr. DOMENICI. Twenty minutes.

Mr. REID. Can we set it up so Senator CONRAD follows Senator DOMENICI, whenever that might be?

Mr. LUGAR. Mr. President, I amend my request so that Senator GRASSLEY will speak, then Senator AKAKA will be recognized, then Senator DOMENICI will be recognized, and then Senator CONRAD will be recognized.

Mr. REID. I note to my friend from Indiana that Senator AKAKA will not spend his time on the bill, but it will be counted against our time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, today is a very bad day for the family farmer. I am extremely disappointed by the effort that was made by the Senate conferees to maintain the provisions that were added to the Senate version of the farm bill on the floor.

A number of folks have been saying this is a good bill, and I would say those folks are part right, it's a good bill if you are a cotton and rice producer. The problem is we don't grow those commodities in my state of Iowa. I plan to vote with the family farmers from Iowa.

I'll sum it up in four words to explain why this is a bad bill for Iowa and why I'm so adamantly opposed to this conference report: competition, competition, competition, competition.

My first reference to competition pertains to competition for grain farmers. The conferees threw out my amendment on reasonable payment limits. In fact I think what they did will cause more harm than good because the Senate Democrats are calling it legitimate reform. If this is their version of "legitimate reform" they're not talking to and representing the same farmers I'm listening to and representing.

The American people recognize the importance of the family farmer to our nation, and the need to provide an adequate safety net for family farmers. In recent years, however, assistance to farmers has come under increasing scrutiny. Critics of farm payments have argued that the largest corporate farms reap most of the benefits of these payments. The reality is, 60 percent of the payments have gone to only 10 percent of our Nation's farmers.

What is more, the payments that have been designed to benefit small and medium-sized family farmers have contributed to their own demise. Unlimited farm payments have placed upward pressure on land prices and cash rents and have contributed to overproduction and lower commodity prices, driving many family farmers off the farm.

What is really disturbing though is the fact that the conference report failed to address this issue and even worse, the authors are acting like they did.

This conference report fails to address the use of generic commodity certificates which allow farmers to circumvent payment limitations. The supposed "reform" in this bill is worthless due to the lack of generic certificate reform. In recent years, we have heard news reports about large corporate farms receiving millions of dollars in payments through the use of generic certificates. Generic certificates do not benefit family farmers but allow

the largest farmers to receive unlimited payments. This bill will not even make the big corporate farmer blink.

The Senate agreed, by an overwhelming vote of 66 to 31, to a bipartisan amendment sponsored by Senator DORGAN and me to target federal assistance to small and medium-sized family farmers. The amendment would have limited direct and counter cyclical payments to \$75,000. It would have limited gains from marketing loans and LDPs to \$150,000, and generic certificates would have been included in this limit. No subterfuge. The amendment would also establish a combined payment limitation of \$275,000 for a husband and wife.

This amendment was critical to family farmers in Iowa. I feel strongly the conference report failed Iowa when it failed to effectively address the issue of payment limitations. This will do nothing to help restore public respectability for federal farm assistance by targeting this assistance to those who need it the most.

The second reference to competition refers to the independent livestock producer being almost completely ignored in this bill. Iowa's independent livestock producers had clearly made the elimination of packer ownership their number one priority. The conferees threw it out.

The president of the Iowa Pork Producers had stated: "It [the packer ban] was our number one issue for the Farm Bill and we are extremely disappointed it didn't survive."

The Iowa Cattlemen released a statement which read:

The Iowa Cattlemen's Association Executive Board . . . expressed their frustration with a missed opportunity for new legislation regarding a ban on packer ownership in the final version of the Farm Bill. . . . We believe the Farm Bill Conference committee has overlooked and ignored the family farmer and small livestock producer in failing to adopt appropriate packer limitations.

It's clear that is what Iowa's livestock producers wanted and this farm bill doesn't deliver. It's that simple!

Also, in regard to livestock producers, the bipartisan amendment I offered with Senator FEINGOLD which would have eliminated the ability of packers to force livestock producers, into mandatory arbitration was dropped in conference.

We finally had the chance to give farmers an opportunity to choose the best dispute settlement mechanism available for their individual situation. But instead of fixing the problem—and let me remind everyone that this passed by an overwhelming vote on the Senate floor—we've locked independent livestock producers into binding arbitration instead of mediation or civil action which could have given family farmers a fighting chance to succeed in a dispute with a packer.

Who wants a pat on the back from the packers for dropping these items from the conference report? I am sure the packers are really proud of you, whoever you are. Don't worry about